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SALLQUIST, DRUMMOND &amp; O'CONNOR, P.C.

2007 JUN 22 P 2: 16

ATTORNEYS AT LAW

TEMPE OFFICE

4500 S. LAKESHORE DRIVE

AZ CORP COMMISSION

SUITE 339

DOCKET CONTROL

TEMPE, ARIZONA 85282

RICHARD L. SALLQUIST

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FACSIMILE (480) 345-0412  
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June 22, 2007

Arizona Corporation Commission  
DOCKETED

JUN 22 2007

**HAND DELIVERY**

Blessing Chukwu

Arizona Corporation Commission

Utilities Division

1200 W. Washington

Phoenix, AZ 85007

DOCKETED BY

SW

Re: Keaton Development Company-Docket No. W-02169A-07-0098; Second Insufficiency Response

Dear Blessing:

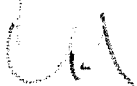
Please find enclosed the Company's response to your Insufficiency Letter of May 30, 2007. We will respond serially, without repeating the request.

1. Please see the attached Item 1.
2. Both subdivisions are owned by, and being developed by, Dan & Mary Lou Cox.
3. Please see the attached Map, Item 2.
4. Salome Heights is 37.05 acres as indicated on the legal description on Revised Exhibit B attached to the Amended Application.
5. All lots within both subdivisions and the entire requested area will be served by individual septic tanks.
6. No, there are no such amenities within the requested area.
7. Not applicable.
8. The bankruptcy of the Company was a result of actions occurring prior to the present ownership of the Company. That matter is now closed. Attached as Item 3 is an unsigned Final Decree from the Bankruptcy Court. It was approved April 27, 2007, but an executed copy has not been provided to the Company's bankruptcy counsel as of this date.

Blessing Chukwu  
June 22, 2007  
Page 2

In the event you have any questions regarding these matters, please do not hesitate to call.

Sincerely,

A handwritten signature in dark ink, appearing to be 'R. Sallquist', written over a faint circular stamp.

Richard L. Sallquist

Enclosures

cc: Docket Control (15 copies without attachments)  
Bill Scott

MARY LOU COX  
P.O. Box 208  
Salome, Arizona 85348

June 15, 2007

Bill Scott  
Keaton Development Company  
P.O. Box 905  
Salome, Arizona 85348

Re: Request for Utility Service

Dear Mr. Scott:

We own the property described on the attached exhibit in the LaPaz County, Arizona. This area will be developed into approximately 37 residential lots as soon as all required approvals are obtained.

To obtain water service to the area, we hereby request that you proceed with applying to the Arizona Corporation Commission for a Certificate of Convenience and Necessity, to LaPaz County for a Utility Franchise, and to any other appropriate agency for all other requisite authority necessary to provide the subject service, and thereafter commence water service to the Development.

We understand that we will be required to enter into the Company's standard line extension agreements pursuant to which we will pay for all on-site facilities. We further understand that the water service will be provided pursuant to the orders, rules, regulations, tariffs, terms and conditions authorized by the Arizona Corporation Commission which apply to the Company.

If we can provide further assistance to the Company in obtaining this required authority, please do not hesitate to call my office.

Sincerely, *Mary Lou Cox*  
*Post-By Jany Cox*

PARCEL DESCRIPTION

That parcel of land situated in the NE 1/4 of Section 27, Township 5 North, Range 13 West, Gila & Salt River Meridian, La Paz County, Arizona, and being more particularly described as follows:

Commencing for reference at the Northeast corner of said Section 27;  
Thence S0°05'59"E along the East line of said Section 27 a distance of 912.85 feet to a point on the centerline of Palm Boulevard, said point also being the POINT OF BEGINNING;

Thence N89°57'55"W along the centerline of said Palm Boulevard a distance of 2135.18 feet to the beginning of a curve to the right, concave to the Northeast, having a radius of 300.00 feet and a central angle of 43°40'49";

Thence Northwest along said curve an arc distance of 228.71 feet, said arc also being the centerline of said Palm Boulevard;

Thence N46°17'06"W along the centerline of said Palm Boulevard a distance of 47.20 feet to the intersection of Palm Boulevard and Mesquite Avenue;

Thence S43°42'54"W along the centerline of said Mesquite Avenue a distance of 299.90 feet to the beginning of a curve to the left, concave to the Southeast, with a radius of 300.00 feet and a central angle of 43°37'15";

Thence Southwest along said curve an arc distance of 228.40 feet, said arc also being the centerline of said Mesquite Avenue;

Thence S0°05'39"W along the centerline of said Mesquite Avenue a distance of 265.87 feet to the intersection of Mesquite Avenue and Cactus Street;

Thence S89°57'55"E along the centerline of said Cactus Street a distance of 2668.28 feet to a point on the East line of said Section 27;

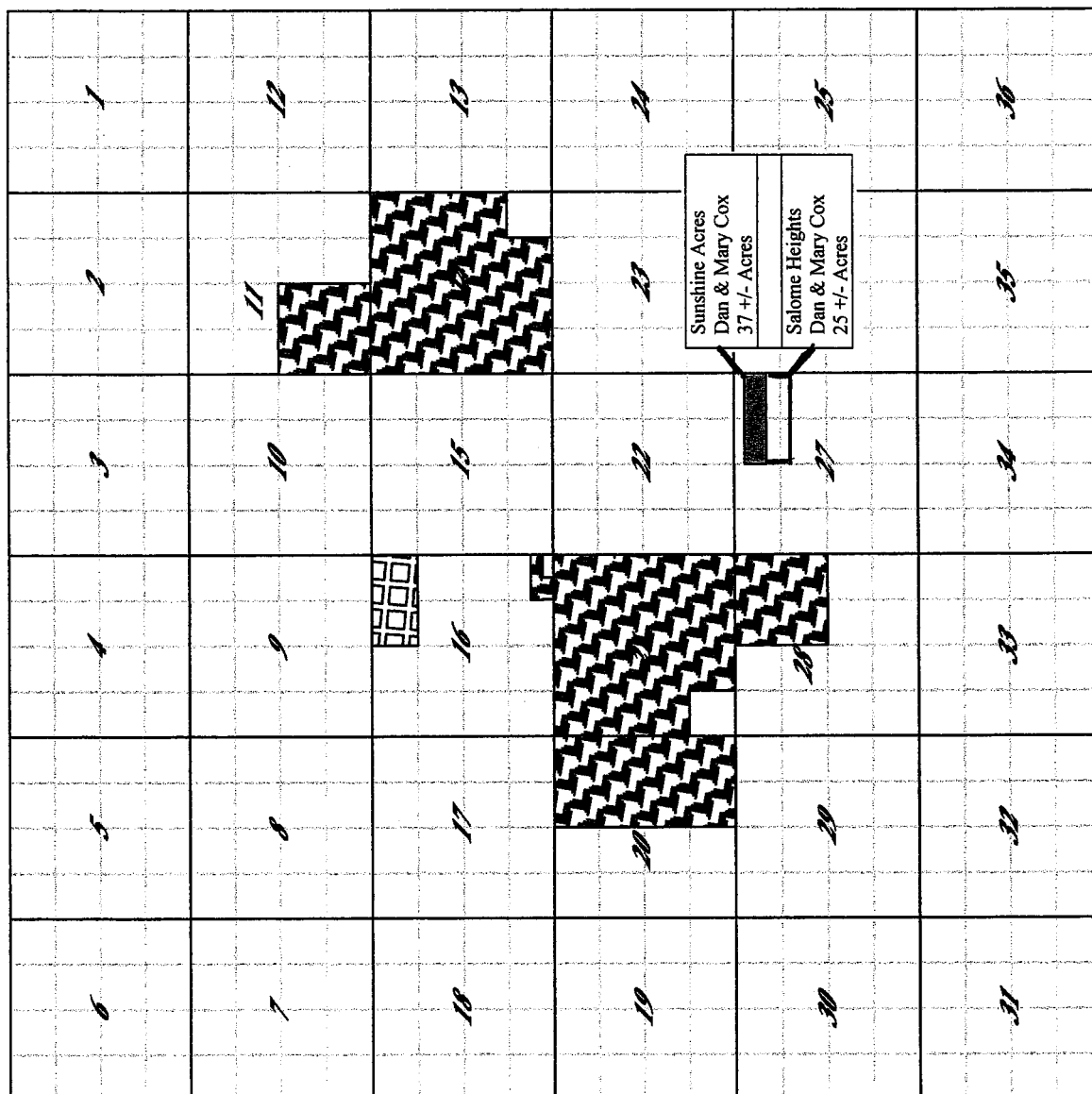
Thence N0°05'59"W along the East line of said Section 27 a distance of 574.00 feet to the POINT OF BEGINNING.

Containing 37.05 acres, more or less.

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# STRANGE 13 West

# TOWNSHIP 5 North



## ITEM 2

**W-2169 (1)**  
**Keaton Development Company**

**W-1084 (1)**  
**Salome Water Company**

**Keaton Development Company  
Docket No. W-02169A-07-0098  
Application for Extension**

1  
2  
3  
4  
5  
6 **IN THE UNITED STATES BANKRUPTCY COURT**  
7 **IN AND FOR THE DISTRICT OF ARIZONA**

8 In re:

9 KEATON DEVELOPMENT COMPANY,  
10 INC.,

11 Debtor.

Chapter 11

Case No. 03-00949-YUM-JMM

**FINAL DECREE**

12 The Reorganized Debtor, Keaton Development Company, Inc., filed a Plan of Reorganization  
13 on July 28, 2003, which was confirmed by the Bankruptcy Court on December 3, 2003. The  
14 Bankruptcy Court has considered the Motion for Entry of Final Decree and, it appearing that the  
15 Debtor's Estate has been substantially administered, the Debtor is entitled to the entry of a Final  
16 Decree.


17 **IT IS ORDERED** that pursuant to Federal Rules of Bankruptcy Procedure, Rule 3022, the  
18 Court hereby enters a Final Decree closing the case. The Estate of the Debtor has been substantially  
19 administered.

20 **IT IS FURTHER ORDERED** that the Chapter 11 Case of the Debtor, Keaton Development  
21 Company, Inc., is closed.

22  
23 DATED: \_\_\_\_\_

\_\_\_\_\_  
James M. Marlar  
United States Bankruptcy Judge

24  
25 Approved as to form for immediate entry:

26   
27 Elizabeth Amorosi  
Assistant United States Trustee

\_\_\_\_\_  
Lori A. Butler  
Attorney for Debtors